

**Alhambra-Grantfork Telephone Company**  
**Illinois Universal Service Funding Calculation**  
**Based upon ICC Form 23A Report Data for December 31, 2000**

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 1,116,208	\$ 226,879	\$ 1,343,087
2	Materials and Supplies Inventory	Page 2, 13-Month Average	26,942		26,942
3	Customer Deposits	Form 23A, P 8, 4040	6,677	-	6,677
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	96,878	-	96,878
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			1,266,474
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	892,204	-	892,204
8	Less: Depreciation Expense	Form 23A, P 13, 6560	214,165	-	214,165
9	Total WC Operating Expense	line 7 - line 8	678,039	-	678,039
10	WC OE Requirement	line 9 * 45 / 360			84,755
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			84,755
13	Total Rate Base	line 5 + line 12			1,351,229
14	Total Operating Revenues	Form 23A, P 11, Total	1,451,312	(7,366)	1,443,946
15	Less: Illinois High Cost Fund		311,199	-	311,199
16	Net Operating Revenues	line 14 - line 15	1,140,113	(7,366)	1,132,747
17	Total Operating Expenses	Form 23A, P 14, Total	892,204	-	892,204
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	14,689	-	14,689
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	233,220	(7,366)	225,854
21	Income Tax Expense	line 34			87,493
22	Net Operating Income	line 20 - line 21			138,361
23	Return on Rate Base	line 22 / line 13			10.24%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			151,473
26	Adj to Achieve Target Return on RB	line 25 - line 22			13,112
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			21,404
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			225,854
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			16,216
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			209,638
33	Federal Income Tax Expense	line 32 * 34.00%			71,277
34	Total Imputed Income Tax Expense	line 31 + line 33			87,493
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

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Based upon ICC Form 23A Report Data for December 31, 2000  
Material & Supplies Worksheet and Other Information

Line #

1	December-99	\$27,301
2	January-00	\$27,301
3	February-00	\$27,301
4	March-00	\$27,301
5	April-00	\$27,301
6	May-00	\$27,301
7	June-00	\$22,450
8	July-00	\$22,450
9	August-00	\$22,450
10	September-00	\$30,596
11	October-00	\$30,596
12	November-00	\$30,596
13	December-00	\$27,301
14	13 Month Average	\$26,942

**Sale/Lease Back Arrangement**

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The company does not have any sale(s)/lease back arrangement.  
The company does have sale(s)/lease back arrangement and has provided additional information to staff.

**Lease Agreement with Affiliates**

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The company does not have any lease agreements with affiliates.  
The company does have lease agreements with affiliates and has provided additional information to staff.

**Trial Balances**

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

**Alhambra-Grantfork Telephone Company**  
**Illinois Universal Service Funding Calculation**  
Based upon ICC Form 23A Report Data for December 31, 2000  
Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 277,914
2	State Subscriber Line Charges	Trial Balance 12/31/00	
3	State Access Revenues	Trial Balance 12/31/00	\$ 263,759
4	State High Cost Support	Exhibit X, Line 15	\$ 314,143
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 12,949
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 868,765
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 54,861
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 249,497
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 184,923
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ -
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 489,281
12	Misc Revenues	Trial Balance 12/31/00	\$ 93,266
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 1,451,312</u>